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FISCAL IMPACT REPORT

SPONSOR Begaye DATE TYPED 1-27-04 HM 1

SHORT TITLE Promote Cigarette Taxation Parity SB _____

ANALYST Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		Indeterminate		

(Parenthesis () Indicate Revenue Decreases)

Relates to:

- HB 59, Increase Tobacco Products Tax
- HB 83, Tobacco Delivery Sales Act
- HB 86, Tobacco Stamp Procedure Changes
- HB 220, Tobacco Settlement Revenue Appropriation
- SB 192, Smart Moves Smoking Cessation Program Funding

SOURCES OF INFORMATION

LFC Files

Responses Received From:

Taxation and Revenue Department (TRD)

No Responses Received From:

- Attorney General Office (AG)
- Department of Finance and Administration (DFA)
- Department of Indian Affairs

SUMMARY

Synopsis of Bill

House Memorial 1 requests that each Indian nation, tribe and pueblo consider raising its tax on cigarettes and also work with the Taxation and Revenue Department and the Attorney General to establish government-to-government agreements to promote cigarette taxation parity.

Significant Issues

TRD notes the following:

Other states seem to have had some success in addressing the issue of cigarette taxation parity. Arizona, in particular, uses a three-stamp approach. Non-Indians coming to the reservation are required to buy cigarettes with a red colored stamp. Wholesalers selling these packs to the reservation are required to pay tax (or a portion of the off-reservation tax rate) on these stamps.

BT/njw:lg